

CONTINUATION OF DISPATCH		CLASSIFICATION SECRET		DISPATCH SYMBOL AND NO. EGOT 18414	
Distribution		CABEZONE		HARVARD	
		Project Approval FY 1963	Required for FY 1964	Project Approval FY 1963	Required for FY 1964
1. Field Cash					
2. Headquarters Obligation		87000.00	87000.00	—	—
3. Requisition Authority		19320.00	12000.00	7000.00	4000.00
Totals			(-17120.00)*		(-19600.00)*

DE Field Cash FY 1963

DE Field Cash FY 1964

(-36400.00)*

DE Grand Total FY 1963

DE Grand Total FY 1964

(-36720.00)*

* (Decrease in FY 1964 from FY 1963)

2. Explanation: The funds requested in paragraph one above are required for the following projected FY 1964 expenses. The below sub-paragraphs are keyed directly to the above sub-paragraphs.

- a. Includes salary and nominal overtime for seven per annum contract employees [] and [] and two career agents [] It includes a provision for the Legislative Pay Increase to be effective 1 January 1964 and for [] additional allowances, etc. in Paris.
- b. Includes home leave, round trip travel for CABEZONE contract employees and their families, travel for defectors (plus agents in HARVARD) and other project operational TDY travel costs of staff, contract and assigned military personnel.
- c. Transportation of defector and agents' effects.
- d. Cost of telephone, cables, post-office boxes, etc. used in support of project activities and safehouses.
- e. Cost of apartments, houses, utilities, renovation, etc. utilized by project activities. We currently utilize 33 properties of which 35 per cent are utilized by HARVARD. It includes the costs for family quarters for CABEZONE per annum contract employees and career agents.
- f. Cost of moving furniture from the depot into or out of unfurnished apartments and other recurring services which must be obtained from local companies.
- g. This includes consultation fees, subsistence, food, clothing and other payments made directly to the agents and defectors in the form of cash as opposed to commodities given to these persons. It also includes medical and dental care of sources, agents and their dependents. In previous years these expenses were programmed for under terms C, D, F, I, J, and K. However, because of financial accounting and posting methods a portion of these costs has been transferred to Compensation for Defectors estimates in FY 1964. No actual increase in spending is expected.





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<p>b. This includes the annual salaries, payments, social security, etc. paid to approximately 20 maids and housekeepers of our operational housing.</p> <p>1. This includes costs of entertaining sources and agents for morale purposes and occasionally for operational entertainment for liaison services who visit our activity.</p> <p>j.k. This represents the annual cost of all expendable and non-expendable supplies, equipment utilized in project activity.</p> <p>1. This includes money given to defectors and agents at the time of resettlement for landing money, etc.</p> <p>3. Discussion: The total Defector Exploitation (DE) (CAREZONE and HARVARD) fund requirements for FY 1964 reflect a net decrease of \$36720.00 from the FY 1963 Project Approvals. CAREZONE has been reduced \$17120.00 and HARVARD \$19600.00. These reductions are possible because:</p>		
<p>a. The number of properties rented have been reduced from 45 to 33.</p> <p>b. The number of indigenous personnel (maids and Housekeepers) have been reduced from 25 to 20.</p> <p>c. Additional costing experience has been acquired through more complex and closer monitoring of FY 1961-62-63 expenditures by object class posting.</p> <p>d. The number of vehicles utilized have been reduced from 17 to 14 Vehicles.</p> <p>e. Home leave travel costs of career agents and per annum contract employees has not cost as much as expected and TDY travel has been more closely monitored and accompanying costs reduced.</p> <p>f. Requirements for supplies and equipment have been minimized and tighter economizing controls put into effect. All furniture and furnishings programmed for FY 1963 were not required due to the cut back in property requirements.</p> <p>g. While the number of defectors remains basically the same as during the preceding three fiscal years, the following changes occurred during the first nine months of FY 1963 which permitted the changes in sub-paragraphs 3a, b, d and f above and contributed to the proposed reduction of \$36720.00 in fund requirements for FY 1964 from FY 1963:</p>		
<p>(1) Seventeen defectors (5 numbered and 12 Un-numbered) were debriefed outside of Frankfurt, i.e. Paris, Rome, Vienna, etc.</p> <p>(2) A greater percentage of defectors without dependents were received. The number of dependents supported by CAREZONE and HARVARD during FY 1963 decreased about 35% from FY 1962.</p> <p>(3) Fewer agents have been sent to HARVARD for resettlement.</p> <p>(4) 33 sources were assessed outside of Frankfurt</p>		
REVISION EDITION: PLACES FORMS 28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	X <input checked="" type="checkbox"/> CONTINUED PAGE NO. 3

10-21
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<p>4. <u>Expenditure Level FY 1963:</u> The D/E spending for FY 1963 as reflected on the 28 February 1963 Schedule E was CABEZONE and HARVARD plus D/E Requisition Authority used \$5615.87. D/E has spent a total of \$125288.00 of a FY 1963 cash allocation and \$5615.87 of a requisition authority allocation. We anticipate spending a grand total in FY 1963 (cash and requisition authority) of CABEZONE - HARVARD. This will leave a surplus of about \$27120.00 for CABEZONE and \$22400.00 for HARVARD from their total FY 1963 Project Approvals. These reduced expenditures were possible because of the changes described in paragraph 3 above which were first effected in October 1962.</p> <p>5. <u>Workload Statistics:</u> It is expected that the defector flow and workload at CABEZONE/HARVARD will continue at the FY 1962 and FY 1963 level. As stated in paragraph 3g the number of dependants and of HARVARD agents has decreased. However, the basic workload of CABEZONE remains constant and with the number of HARVARD Case Officers reduced in June 1962 from four to two, the workload for the remaining two is about the same. The funds requested for FY 1964 have been reduced to the amount required for the anticipated CABEZONE/HARVARD workload.</p>		

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<p>b. The following is a listing of the number of cases processed at HARVARD (Figures include cases plus dependents)</p> <table border="1"> <thead> <tr> <th></th> <th><u>Defectors/Agents</u></th> <th><u>Dependents</u></th> <th><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>Cases on hand: 1 July 1961</td> <td>21</td> <td>27</td> <td>48</td> </tr> <tr> <td>1 July 1962</td> <td>13</td> <td>2</td> <td>15</td> </tr> <tr> <td>1 April 1963</td> <td>14</td> <td>6</td> <td>20</td> </tr> <tr> <td>Cases Received: 1 July 61-30 June 62</td> <td>36</td> <td>22</td> <td>58</td> </tr> <tr> <td>1 July 62-31 Mar. 63</td> <td>23</td> <td>7</td> <td>30 (nine months only)</td> </tr> <tr> <td>Cases Resettled: 1 July 61-30 June 62</td> <td>33</td> <td>27</td> <td>60</td> </tr> <tr> <td>1 July 62-31 March 63</td> <td>24</td> <td>4</td> <td>28 (nine months only)</td> </tr> </tbody> </table> <p style="text-align: center;">1-30 Apr</p>						<u>Defectors/Agents</u>	<u>Dependents</u>	<u>Total</u>	Cases on hand: 1 July 1961	21	27	48	1 July 1962	13	2	15	1 April 1963	14	6	20	Cases Received: 1 July 61-30 June 62	36	22	58	1 July 62-31 Mar. 63	23	7	30 (nine months only)	Cases Resettled: 1 July 61-30 June 62	33	27	60	1 July 62-31 March 63	24	4	28 (nine months only)
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<p>c. The following is a listing of CABEZONE Reports production in FY 1962 and FY 1963 and a brief description of a few of the better sources processing or processed at CABEZONE during FY 1963.</p> <table border="1"> <thead> <tr> <th colspan="5">(1) <u>REPORTS PRODUCTION</u></th> </tr> <tr> <th></th> <th>RC</th> <th>RC(S)</th> <th>DRCH</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1 July 1961 - 30 June 1962 (12 months)</td> <td>257</td> <td>145</td> <td>314</td> <td>656</td> </tr> <tr> <td>1 July 1962 - 31 March 1963 (9 months only)</td> <td>267</td> <td>144</td> <td>169</td> <td>580</td> </tr> </tbody> </table> <p>(2) <u>DEFECTORS OF PARTICULAR INTEREST</u></p> <p>DS-100, Microbiologist and former director of the Rostock Institute of Microbiology and Epidemiology, who took active part in East German biological warfare research activity.</p> <p>DS-102, East German Army Lieutenant Colonel; highest grade officer ever to have defected from the Soviet Zone. To date, 53 reports published, providing much highly valuable information on East German and Soviet Military O/B tactics, personalities, etc. Several more reports forthcoming. Being considered for employment as consultant to ODHEAT.</p> <p>DS-103, Bulgarian radio technician, who is providing much valuable, new information on Bulgarian jamming operations directed at Western broadcasts to the Soviet Bloc.</p> <p>DS-116, Rumanian petroleum expert with broad knowledge of many facets of the industry;</p> <p>DS-121, Epidemiologist and hygienist, former director of the Institute at Berlin-Weissensee, with extensive knowledge of East German biological warfare efforts.</p>					(1) <u>REPORTS PRODUCTION</u>						RC	RC(S)	DRCH	Total	1 July 1961 - 30 June 1962 (12 months)	257	145	314	656	1 July 1962 - 31 March 1963 (9 months only)	267	144	169	580												
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<p align="center">(3) <u>OTHER SIGNIFICANT ACTIVITIES</u></p> <p>Support and editing, processing of reports for DS-2139</p> <p>Assistance to other bases or stations to debrief sources, some of whom do not appear as either numbered or unnumbered, e.g., certain sources in Paris, Conakry, FROB, Rome, Vienna, Copenhagen, etc.</p> <div style="text-align: center; margin: 20px 0;">  </div> <p>Approved: </p> <p align="center"><u>COS/COMPTROLLER</u></p> <p></p> <p>Attachments:</p> <p>CABEZONE T/O - 15 Copies (USC) <i>Split Transmission</i></p> <p>CABEZONE Organization Chart - 15 Copies (USC)</p> <p>Distribution:</p> <p><i>X-EE</i></p> <div style="text-align: right; margin-top: 20px;">  </div>		
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